

PARISH REMUNERATION PANEL

**REPORT ON PARISH REMUNERATION
ARRANGEMENTS FOR CERTAIN
PARISH AND TOWN COUNCILS IN THE
EPPING FOREST DISTRICT**

December 2003

Introduction

1. This is the first report of the Parish Remuneration Panel which has been established by Epping Forest District Council pursuant to the Local Authorities (Members' Allowances) (England) Regulations 2003.
2. Under those Regulations the Panel is charged with the responsibility of making recommendations in accordance with Regulation 29 as to:
 - (a) the amount of parish basic allowance payable to members of Parish and Town Councils;
 - (b) the amount of travelling and subsistence allowance payable to members of such Councils;
 - (c) whether parish basic allowance should be payable only to the Chairman of any such authority or to all of its members;
 - (d) whether, if parish basic allowance should be payable to both the Chairman and the members of such Councils, the allowance payable to the Chairman should be set at a higher level than that paid to other members and the higher amount so payable; and
 - (e) the responsibilities or duties in respect of which members should receive parish, travelling and subsistence allowance.

Applications by Parish and Town Councils

3. Epping Forest District Council wrote to Parish and Town Councils in the District on 1 July 2003, 31 July 2003 and 22 October 2003 concerning the 2003 Regulations and the arrangements which had to be put in place if Parish and Town Councils wish to continue paying allowances or expenses to their members after 31 December 2003.
4. To date, requests for consideration had been received from the following Councils:
 - (a) Waltham Abbey Town - a request for payment of basic allowance (£2,200 p.a.) to the Town Mayor alone together with travel and subsistence;
 - (b) Ongar Parish Council - travel and subsistence in respect of meetings of the Council and other duties;
 - (c) Loughton Town Council - basic allowance payable to all Town Councillors at the same rate (no figures specified) plus travelling and subsistence payments in respect of travel inside and outside the parish including a cycle allowance;
 - (d) Roydon Parish Council - car mileage for attendance by Parish Councillors at approved meetings of outside bodies;
 - (e) Stapleford Abbots Parish Council - car mileage for attendance by Parish Councillors at approved meetings of outside bodies;

- (f) Willingale Parish Council - car mileage for attendance by Parish Councillors at approved meetings of outside bodies;
 - (g) Theydon Bois Parish Council - payment of travel and subsistence allowances in accordance with the EFDC Scheme as stated at present.
 - (h) Buckhurst Hill Parish Council – payment of travel and subsistence allowances at the former DETR rates in respect of all duties outside the boundaries of the Parish.
5. Nazeing Parish Council has advised that it does not wish to pursue an allowance scheme.
 6. It is understood at the time of writing that further proposals will be submitted by Epping Town Council.

Response to Parish and Town Council Proposals

7. The Panel is entitled, in making recommendations, to consider whether to apply the same levels of parish basic allowance and travel and subsistence allowances to all Parish and Town Councils or whether to make different recommendations for different Councils.
8. The Panel is required to express its recommendations as to the level of parish basic allowance as a percentage of the sum that an Independent Remuneration Panel has recommended as the level of basic allowance for Epping Forest District Council but may not recommend a percentage of more than 100% of the District Council's recommended level.
9. The Panel is also required to express its recommendation as to the level of Parish Basic Allowance as a monetary sum equivalent to the percentage mentioned above.

Parish Basic Allowance

10. Only two town councils requested consideration of proposals for parish basic allowance. Waltham Abbey Town Council requested us to consider basic allowance of £2,200 per annum payable only to its Chairman. Loughton Town Council made a similar request except that they wished the payment to be made on an equal basis to all its members. Loughton Town Council however did not specify an amount.
11. In determining how to approach the question of parish basic allowance we were aware that this was completely new territory. We therefore examined the District Council's own remuneration scheme which, when fully implemented, would provide an annual basic allowance per member of £3,150. The regulations require us to recommend that a parish basic allowance must be set as a percentage of the District Council figure as well as a cash sum. We also noted that the percentage may be 100%. In our view, this effectively sets an upper limit on the parish basic allowance at £3,150 per parish member.
11. We also looked at the percentage of total expenditure on allowances (assuming the District Council's scheme is fully implemented) compared to that Council's annual precept for Council Tax purposes. The total estimated expenditure (excluding the civic allowance paid to the Chairman and Vice-Chairman of the

District Council) is £301,297.50. This represents 4.68% of the total precept of £6,433,292. We are conscious that the District Council has not yet fully implemented its remuneration scheme. However we feel that there is no alternative to using the total cost of allowances for the calculation.

13. This approach provided us with two parameters on which to advise parish and town councils. We feel that the precept percentage applied to allowances at District level should form the upper limit for parish precepts. Thus, we feel that any parish or town council should not provide a parish basic allowance which costs more than 4.68% of their total precept. Alongside this guideline, parish and town councils must bear in mind that they are only able to provide the parish basic allowance up to 100% of the figure provided at district level (£3,150).
14. The figure of £2,200 quoted by Waltham Abbey Town Council meets these two criteria but it is our view that it should be for individual parish and town councils to determine the actual allowances payable by taking into account these guidelines. The Waltham Abbey Town Council proposal represents 0.36% of its total precept (£607,116) and 69.8% of the district basic allowance; this fulfils our criteria and we are prepared to support this proposal. In the case of Loughton Town Council, we were not provided with any guidance as to the figure being sought. However, both Town Councils fall within a group which have substantial budgets and services and for this reason we feel that comparability between the two councils would be justified.

Chairmen of Parish and Town Councils

15. Waltham Abbey Town Council indicated to us that they wished to make available to their Mayor a sum of £1,800 per annum for hospitality. Such allowances are subject to different legislation and so far as we can see they fall outside the brief to this Panel. We have therefore noted that the two Mayor's allowances exceed 100% of the District Council basic allowance.
16. Similarly, Buckhurst Hill Parish Council indicated that it would make a payment of £300 during 2004/5 using powers under Section 15(5) of the Local Government Act 1972. This too we have noted as this procedure is outside our terms of reference.

Parish Travelling and Subsistence Allowances

17. Other than the one parish council which indicated to us that they did not plan to introduce any remuneration schemes, all the parish and town councils which responded wish to introduce or continue these payments after 31 December 2003 when the current arrangements come to an end.
18. We have looked at the arrangements operated by Epping Forest District Council. We have noted that the District Council still uses the rates for reimbursement of travel and subsistence expenses prescribed by the Government in former years. The Government no longer prescribes these maxima and now leaves it each authority to decide on their mileage rates and subsistence. Our view is that parish allowances should not exceed the rates paid by the District Council. The District Council rates have not been uprated for inflation for several years now and when this was last reviewed no changes were made. Appendix 3 shows the rates paid by the District Council.

19. We therefore recommend that Parish Councils set their own rates for mileage and subsistence subject to those rates not exceeding the District Council's rates. Some parish councils indicated that they wished to reimburse these costs for travelling within the parish and outside and others wished to restrict it either to travel outside the Parish, to specified association or outside organisation meetings or to the Chairmen of the Parish Council only. Any of these schemes can be embraced.
20. It also falls to this Panel to specify the duties to which these expenses may be reimbursed. We have included in our outline remuneration schemes references to Council, Committee and other meetings, opening of tenders, attendance at relevant associations and any other purpose approved by the parish or town council. The latter categories are for parish and town councils to determine and they have not asked us to consider any specific proposals. It is important that such duties are agreed in advance of the duty, whether as part of a remuneration scheme or on an ad hoc basis.

Bicycle Allowance

21. The regulations provide for the payment of a travelling allowance in respect of travel by bicycles. The District Council's Remuneration Panel has not yet reported on this allowance and there is little evidence of the sums paid by other local authorities. However, we understand that the High Wycombe District Council Scheme allows payment at a rate equivalent to the car mileage rate.
22. We have taken account of the need to encourage non-motorised modes of transport and the comparatively limited costs associated with cycling.
23. We are recommending that bicycle allowance should be paid at a rate determined by the parish or town council subject to not exceeding 48.5p per mile (the highest rate paid for motor cars).

Other Conditions for Payment of Allowances

24. A model scheme has been prepared to assist parish and town councils (See Appendix 1). This provides for a number of ancillary matters relating to allowances.
25. Firstly, there is the option of linking these to an index of some kind: possibly the overall increase in a Council's budget from year to year or the rate of inflation. It should be emphasised that this can only be done for four years, after which further advice must be sought from the Parish Remuneration Panel.
26. Secondly, there are provisions for recovering payments made to councillors who are subsequently suspended as a result of action by the Standards Board for England or for withholding such payments during a period of suspension.
27. Thirdly, there are also provisions regarding a time limit for making claims in respect of travel and subsistence allowance, pro rata calculations for new councillors who join during a Council year and recovery of allowances in respect of councillors who leave part way through a year.
28. Fourthly, the model scheme also includes the statutory renunciation clause whereby a member of a parish council can in writing indicate that he or she does not wish to receive allowances.

Publicity

29. Once this report has been issued, it is a requirement of the regulations that copies of our report are available for inspection by members of the public. A Notice must also be displayed in a conspicuous place or places in the area of the Parish Council for a period of at least 14 days setting out our recommendations. Copies of our report must also be available to any member of the public who requests one at such reasonable copying fee as the Parish Council concerned may determine.
- ... 30. Appendix 2 is a draft public notice. When our report has been considered and a scheme adopted by Parish or Town Councils these should then be completed and displayed.

Recommendations

(a) Parish Basic Allowance

(1) That the percentage of the District Council's expenditure on allowances as recommended by Remuneration Panel compared to the total precept for 2003/4 (4.68%) be applied to all parish and town councils in the District on the basis that their total expenditure on parish basic allowance should not exceed that percentage of their precept.

(2) That parish basic allowance should not exceed the figure set for the Epping Forest District Council namely a sum per member of £3,150.

(3) That on the basis of (1) and (2) above the proposal of Waltham Abbey Town Council to set a parish basic allowance at £2,200 for the Mayor of Waltham Abbey Town be supported.

(b) Conditions for Payment

(4) That parish and town councils be encouraged to use the model scheme attached as Appendix 1 to this model, modified as required.

(c) Parish Travelling Allowance

(5) That the schedule of travelling and subsistence rates attached as the Appendix 3 to this report in so far as they are applicable to parish and town councils be recommended as the maximum rates for travel and subsistence allowances and that parish and town councils set their own rates not exceeding the maximum rates.

Members of the Parish Remuneration Panel:

Mike Donn, David Jackman, Stephen Lye

Date: 1 December 2003

APPENDIX 1

[] **COUNCIL – REMUNERATION SCHEME**

The [] Council, in exercise of the powers conferred by the Local Authorities (Members' Allowances) Regulations 2003 and having considered a report of the Parish Remuneration Panel for the Epping Forest District, hereby makes the following scheme:

1. This scheme may be cited as the [] Council Members Remuneration Scheme and shall have effect for the period 1 January 2004 to 31 March 2005.

2. In this scheme:

“Councillor” means a member of the [] Council who is an elected Councillor;

3. Parish Basic Allowance

Subject to paragraph 7, for the three months from [] a parish basic allowance of [£] shall be paid to []. This sum will be equivalent to an annual amount of £

4. Renunciation

A councillor may by notice in writing given to the Clerk of the Council elect to forego any part of his entitlement to an allowance under this scheme.

5. Part-year Entitlements

(1) The provisions of this paragraph shall have the effect of regulating the entitlements of a councillor to parish basic allowance where, in the course of a year, this scheme is amended or that councillor becomes, or ceases to be, a councillor.

(2) If an amendment to this scheme changes the amount to which a councillor is entitled by way of a basic allowance then in relation to each of the periods:

(a) beginning with the year and ending with the day before that on which the first amendment in that year takes effect; or

(b) beginning with the day on which an amendment takes effect and ending with the day before that on which the next amendment takes effect, or (if none) with the end of the year;

the entitlement to such an allowance shall be to the payment of such part of the amount of the allowance under this scheme as has effect during the relevant period as bears to the whole the same proportion as the number of the days in the period bears to the number of days in the year. The Council further reserves the right to backdate the payment of the allowance to the commencement of the year in question.

(3) Where the term of office of a councillor begins or ends otherwise than at the beginning or end of a year, the entitlement of that councillor to a basic

allowance shall be to the payment to such part of the basic allowance as bears to the whole the same proportion as the number of days during which his term of office subsists bears to the number of days in that year.

(4) Where this scheme is amended as mentioned in sub-paragraph (2), and the term of office of a councillor does not subsist throughout the period mentioned in sub-paragraph (2)(a), the entitlement of any such councillor to a parish basic allowance shall be to the payment of such part of the basic allowance referable to each such period (ascertained in accordance with that sub-paragraph) as bears to the whole of the same proportion as the number of days during which his term of office as a councillor subsists bears to the number of days in that period.

(5) Where a member is suspended or partially suspended from his responsibilities or duties as a member of the Council, in accordance with Part III of the Local Government Act 2000 or regulations made under that part, any parish basic allowance payable in respect of the duties from which he is suspended or partially suspended, may be withheld by the Council.

(6) Where payment of a parish basic allowance has been made in respect of any period during which the member concerned is:

(a) suspended or partially suspended from his or her responsibilities or duties as a member of the [] Council under Part III of the Local Government Act 2000

(b) ceases to be a member of the [] Council.

(c) is in any other way not entitled to receive the allowances in respect of that period

the Council may require that such part of the allowance as relates to the period concerned be repaid to the authority.

6. Parish Travelling and Subsistence Allowance

(1) The Council will pay to its members allowances in respect of travelling and subsistence (“parish travelling and subsistence allowance”), including an allowance in respect of travel by bicycle or by any other non-motorised form of transport, undertaken or incurred in connection with the performance of any duty within one or more of the following categories -

(a) the attendance at a meeting of the Council or of any committee or sub-committee of the authority, or of any other body to which the Council makes appointments or nominations, or of any committee or sub-committee of such a body;

(b) the attendance at a meeting of any association of authorities of which the Council is a member;

(c) the performance of any duty in pursuance of any standing order made by the Council under section 135 of the Local Government Act 1972 requiring a member or members to be present while tender documents are opened;

(d) the performance of any duty in connection with the discharge of any function of the authority conferred by or under any enactment and

empowering or requiring the authority to inspect or authorise the inspection of premises; and

(e) the carrying out of any other duty approved in advance by the Council, or any duty of a class so approved, for the purpose of, or in connection with, the discharge of the functions of the authority or of any of its committees or sub-committees.

(2) Where a member is suspended or partially suspended from his responsibilities or duties as a member of an authority in accordance with Part III of the Local Government Act 2000 or regulations made under that Part, any parish travelling and subsistence allowance payable to him in respect of the responsibilities or duties from which he is suspended or partially suspended may be withheld by the Council.

(3) The Council may require that where payment of travelling and subsistence allowance has already been made in respect of any period during which the member concerned is -

(a) suspended or partially suspended from his responsibilities or duties as a member of the authority in accordance with Part III of the Local Government Act 2000 or regulations made under that Part;

(b) ceases to be a member of the authority; or

(c) is in any other way not entitled to receive the allowance in respect of that period;

such part of the allowance as relates to any such period shall be repaid to the authority.

(4) Under paragraph 34(1) of the 2003 regulations, the Council may not make any payment and a member is not entitled to receive any payment in respect of any travelling and subsistence expenses incurred before 31 December 2003.

... (5) The rates for parish travel and subsistence allowance shall be as set out in the Appendix to this scheme.

7. Claims and Payments

(1) Payments shall be made in respect of parish basic allowance in the following way:

[]

(2) Claims for Payments in respect of travelling and subsistence expenses shall be dealt with as follows:

[.....]

(3) A member of the Council who is also a member of another Council may not claim or receive payments of allowances from more than one Council in respect of the same duties.

8. Uprating for Inflation

D R A F T/

APPENDIX 2

MODEL PUBLIC NOTICE

.....**Parish/Town Council**

NOTICE IS HEREBY GIVEN that the Parish/Town Council has received a report of the Parish Remuneration Panel for the Epping Forest District dated November 2003 which contains proposals for the following:

(a) the introduction of a parish basic allowance payable to in the sum of £..... per annum.

(b) payment of travel and subsistence allowances to Parish/Town Council members in connection with approved duties.

(c) indicating those duties for which travel/subsistence expenditure may be claimed and the rates which are applicable.

(d) arrangements for payment or recovery of allowances where Councillors cease to be members or assume office part way through a Council year or are suspended as a result of action taken by the Standards Board for England.

(e) other ancillary matters relating to the allowances applicable.

NOTICE IS ALSO GIVEN that a copy of the report of the Parish Remuneration Panel is available in accordance with the Regulation 30 of the Local Authorities (Members' Allowances) (England) Regulations 2003, for inspection by members of the public on reasonable notice to the Parish/Town Clerk with copies of the report provided to any interested person at such a reasonable fee as the Parish Council may determine.

.....
Clerk to the Parish/Town Council

NOTE: The section in bold italics should be amended/deleted in accordance with Parish Council's decision.

APPENDIX 3

(Rates set out below are the maximum recommended – parish and town councils are invited to set their rates not exceeding the maximum rates).

PART 1**Rates of Travelling Allowances and Provisions Relating Thereto**

1. (1) The rate for travel by public transport shall not exceed the amount of the ordinary fare or any available cheap fare, and where more than one class of fare is available the rate shall be determined, in the case of travel by ship by reference to first class fares, and in any other case by reference to second class fares unless the body determines, either generally or specifically, that first class fares shall be substituted.
- (2) The rate specified in the preceding sub-paragraph may be increased by supplementary allowances not exceeding expenditure actually incurred:
 - (a) on Pullman Car or similar supplements, reservation of seats and deposit or portorage of luggage; and
 - (b) on sleeping accommodation engaged by the member for an overnight journey, subject, however, to reduction by one-third of any subsistence allowance payable for that night.
2. (1) The rate for travel by a member's own solo motor cycle or one provided for his/her use, shall not exceed:
 - (a) for the use of a solo **motor cycle** of cylinder capacity not exceeding 150cc, 8.5p a mile;
 - (b) for the use of a solo **motor cycle** of cylinder capacity exceeding 150cc but not exceeding 500cc, 12.3p a mile;
 - (c) for the use of a solo **motor cycle** of cylinder capacity exceeding 500cc, 16.5p per mile.
- (2) The rate for travel by a member's own private **motor vehicle**, or one belonging to a member of his/her family or otherwise provided for his use, other than a solo motor cycle, shall not exceed:
 - (a) for the use of a motor car of cylinder capacity
 - (i) not exceeding 999cc, 34.6p a mile;
 - (ii) but not exceeding 1199cc, 39.5p a mile;
 - (iii) exceeding 1199cc, 48.5p a mile;
- (3) The rates specified in sub-paragraphs (1) and (2) may be increased
 - (a) in respect of the carriage of passengers, not exceeding 4, to whom a travelling allowance would otherwise be payable under any enactment by not

more than 3.0p a mile for the first passenger and 2.0p per mile for the second and subsequent passengers;

(b) by not more than the amount of any expenditure incurred on tolls, ferries or parking fees, including overnight garaging;

(4) For the purpose of this paragraph, the cylinder capacity shall be that entered in the vehicle registration book or document by the Secretary of State under the Vehicles (Excise) Act 1971.

3. The rate for **travel by taxi-cab** or cab shall not exceed:

(a) in cases of urgency or where no public transport is reasonably available, the amount of the actual fare and any reasonable gratuity paid; and

(b) in any other case, the amount of the fare for travel by appropriate public transport.

4. The rate for **travel by a hired motor vehicle** other than a taxi-cab shall not exceed the rate which would have been applicable had the vehicle belonged to the member who hired it; provided that where the body so approves the rate may be increased to an amount not exceeding the actual cost of hiring.

5. The rate for **travel by air** shall not exceed the rate applicable to travel by appropriate alternative means of transport together with an allowance equivalent to the amount of any saving in attendance allowance or financial loss allowance, and subsistence allowance consequent on travel by air;

provided that where the body resolves, either generally or specifically, that the saving in time is so substantial as to justify payment of the fare for travel by air, there may be paid an amount not exceeding:

(a) the ordinary fare or any available cheap fare for travel by regular air service; or

(b) where no such service is available or in case of urgency, the fare actually paid by the member.

6. The rate for **travel by a member's own bicycle**, or one belonging to a member of his/her family or otherwise provided for his/her use, shall not exceed 48.5p per mile.

PART 2

Rates of Subsistence Allowance and Provisions Relating Thereto

1. (1) The rate of subsistence allowance shall not exceed:

(a) in the case of an absence, not involving an absence overnight from the usual place of residence:

(i) **Breakfast** allowance (more than 4 hours or, where the authority permits, a lesser period, before 11.00 a.m.) £4.92;

(ii) **Lunch** allowance (more than 4 hours or, where the authority permits, a lesser period, including the lunchtime between 12 noon and 2.00 p.m.) £6.77;

(iii) **Tea** allowance (more than 4 hours or, where the authority permits, a lesser period, including the period 3.00 p.m. to 6.00 p.m.) £2.67;

(iv) **Evening meal** allowance (more than 4 hours or, where the authority permits, a lesser period, ending after 7.00 p.m.) £8.38.

(b) in the case of an **absence overnight** from the usual place of residence, £79.82 and for such an absence overnight in London or for the purposes of attendance at an annual conference (including or not including an annual meeting) of the Local Government Association or such other association or body as the Secretaries of State may for the time being approve for the purpose, £91.04.

(2) For the purposes of this paragraph, London means the City of London and the London Boroughs of Camden, Greenwich, Hackney, Hammersmith and Fulham, Islington, Kensington and Chelsea, Lambeth, Lewisham, Southwark, Tower Hamlets, Wandsworth and Westminster.

2. Any rate determined under Paragraph 1 (b) above shall be deemed to cover a continuous period of absence of 24 hours.

3. The rates specified in Paragraph 1 above, shall be reduced by an appropriate amount in respect of **any meal provided free of charge** by an authority or body in respect of the meal or the period to which the allowance relates.

4. When **main meals (i.e. a full breakfast, lunch or dinner) are taken on trains** during a period for which there is an entitlement to day subsistence, the reasonable cost of meals (including V.A.T.) may be reimbursed in full within the limits set out below. In such circumstances reimbursement for the reasonable cost of a meal would replace the entitlement to the day subsistence allowance for the appropriate meal period.

(i) for breakfast, absence of more than 4 hours or, where the authority permits, a lesser period, before 11.00 a.m.;

(ii) for lunch, absence of more than 4 hours or, where the authority permits, a lesser period, including the lunchtime between 12 noon and 2.00 p.m.;

(iii) for dinner, an absence of more than 4 hours or, where the authority permits, a lesser period, ending after 7.00 p.m.

Revised Rates from: April 2000